

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

[Columbia, South Carolina]

HEARING # 13-11348

AUGUST 1, 2013

6:00 P.M.

DOCKET NO. 2013-59-E:

Duke Energy Carolinas, LLC - Application for Authority to Adjust
and Increase Electric Rates and Charges

**TRANSCRIPT OF TESTIMONY
AND PROCEEDINGS**

VOLUME 5 OF 6

HEARING BEFORE: G. O'Neal HAMILTON, *CHAIRMAN*, Nikiya M.
'Nikki' HALL, *VICE CHAIRMAN*; and COMMISSIONERS John E.
'Butch' HOWARD, Elizabeth B. 'Lib' FLEMING, Swain E.
WHITFIELD, and Comer H. 'Randy' RANDALL

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APPLICANT

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OFFICE OF REGULATORY STAFF

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P R O C E E D I N G S

CHAIRMAN HAMILTON: Please be seated. We'll call this hearing to order. I'd like to take this opportunity to thank each of you for being here tonight and showing the interest you have in the Duke rate case.

We have some preliminary matters that I'm going to turn it over to Attorney Butler to review with you.

MR. BUTLER: Thank you, Mr. Chairman and members of the Commission.

Good evening. Welcome to the evening public hearing for the Duke rate case, in Columbia. My name is David Butler and I'm Senior Counsel with the Commission.

This proceeding before the Commission is in Docket No. 2013-59-E, and it concerns a proposed increase in rates and charges filed with the Commission by Duke Energy Carolinas, LLC. And I just might note that, when you signed in to speak tonight, you should have been handed a fact sheet that describes the major provisions of the settlement agreement entered into by the parties in this case. I would tell you that the Commission is not bound by that settlement agreement, but, if the

1 Commission decided that the settlement agreement
2 should be approved, the amount of the revenue that
3 the company would receive as a part of this rate
4 case would be decreased by almost half. And for
5 further information on this agreement, if you want
6 to ask any questions to anyone, please feel free to
7 ask the Office of Regulatory Staff and/or Duke
8 Energy, both of which are here tonight.

9 And that reminds me, before we get too far
10 into this hearing, we would like to take
11 appearances of the attorneys and other officials
12 who are present here tonight.

13 First, I see Ms. Timika Shafeek-Horton here,
14 from Duke Energy. And, Ms. Horton, would you mind
15 introducing the people that are with you from Duke
16 Energy?

17 **MS. SHAFEEK-HORTON:** Yes. Timika Shafeek-
18 Horton, on behalf of Duke Energy, along with Frank
19 Ellerbe. And Barbara Yarbrough is here in the
20 audience to answer any questions that customers
21 might have tonight.

22 **MR. BUTLER:** Excellent. Thank you, very much.

23 And I see we also have representatives from
24 the Office of Regulatory Staff. Ms. Hudson, would
25 you mind doing the honors?

1 **MS. HUDSON:** Good evening. My name is Shannon
2 Bowyer Hudson. With me I have Executive Director
3 Dukes Scott. We represent the Office of Regulatory
4 Staff.

5 I'd also -- if I may, I'd also like to point
6 out a few people from our agency. We have Anthony
7 James, the manager from our Electric Department;
8 April Sharpe, who is the manager of our Consumer
9 Services Division; and Takisha Anderson is also
10 with us tonight. They're available to answer
11 questions during the pendency of this hearing.
12 Thank you.

13 **MR. BUTLER:** Okay. Thank you, very much. We
14 appreciate that.

15 In a moment I'm going to call the names of the
16 people who signed up to speak. But, actually, when
17 you are called, please proceed to the table that
18 we've got right up front. There's a table with a
19 microphone. When your name is called, please come
20 right up to this table, have a seat, and we would
21 appreciate it if you would give your name and
22 address, and please do speak into the microphone.
23 We would appreciate that greatly, so that everyone
24 can hear you. Even though the room seems small,
25 sometimes it is difficult to hear, at times.

1 We are going to have a three-minute time limit
2 tonight, and Mr. Richardson is over here with our
3 basketball clock, and you will know when the three
4 minutes is up because that clock does emit a bit of
5 a noise. But, anyway, everyone will be held to the
6 same standard on that.

7 But anyway, I would say to you that after you
8 do give your statement to the Commission, if you
9 will, please remain at the table for any questions
10 that the parties or the Commissioners might have.
11 And I want to remind everybody that this public
12 hearing is the time for you to testify on the
13 proposed Duke rate increase, but, due to the
14 judicial nature of the proceeding, Commissioners
15 cannot take questions and are prevented from making
16 comments. And this is a matter of statute from the
17 South Carolina Code. They are prohibited from
18 taking any questions and from making any comments
19 on the case, because they are considered to be the
20 court of utilities in South Carolina under the
21 South Carolina Statutes. But, as I mentioned
22 before, we do have the Office of Regulatory Staff
23 and we have Duke Energy here, and several
24 representatives from each of those entities are
25 here, and if you do have questions about anything

1 that you hear, questions about the proposed
2 settlement agreement, please don't hesitate to seek
3 them out, and I know they will be glad to talk to
4 you about any matter connected with the case.

5 We have already had the evidentiary hearing in
6 this case that had experts, accountants,
7 economists, engineers, and all the experts, at
8 least, have already testified. We've already had a
9 series of public hearings. But I will mention that
10 there is one additional public hearing that is
11 still to be held at York Technical College in Rock
12 Hill on August 15th.

13 But, in any event, the Commission is here
14 tonight, continuing the process by hearing your
15 views on the Duke proposal.

16 And I just wondered, Mr. Chairman, before we
17 start calling names, whether you'd like to
18 introduce the members of the Commission?

19 **CHAIRMAN HAMILTON:** Thank you, Mr. Butler.
20 I'd like to introduce the members of the Commission
21 to you at this time. On my far right, we have
22 Commissioner Randall; next to him, Commissioner
23 Whitfield; and on the far left is Commissioner
24 Howard, Commissioner Fleming, Vice Chairman Hall.
25 And I'm O'Neal Hamilton, the Chairman at this time.

1 Again, I tell you that we appreciate you being
2 here. We are here to hear what you have to say,
3 and what you say tonight will be part of the record
4 of the case and will be reviewed again by the
5 Commission. And again, I'll ask you, when you come
6 forward to be sworn in, if you would keep your seat
7 until such time as we find out if either of the
8 parties or the Commissioners have any questions
9 concerning clarification of your testimony.

10 At this time, we'll ask Mr. Butler to call the
11 first witness.

12 **MR. BUTLER:** Yes sir, Mr. Chairman. Will do.
13 The first witness that I have listed is Helen
14 Munnerlyn? Ms. Munnerlyn, if you'll come forward,
15 please, and have a seat at the table, the court
16 reporter will swear you in.

17 [Witness affirmed]

18 THEREUPON came,

19 **H E L E N M U N N E R L Y N ,**
20 who, having been first duly affirmed, testified as follows:

21 **WITNESS:** I'm Helen Munnerlyn. I'm with
22 Leadership South Carolina. The address is P.O. Box
23 23205, Columbia, South Carolina 29224.

24 I just want to read my little statement:
25 I'm Helen Munnerlyn and I'm the executive director

1 of Leadership South Carolina, the State's oldest
2 leadership development program, and I'm here in
3 support of Duke Energy. Executives of Duke Energy
4 have participated in Leadership South Carolina for
5 more than a decade, and we greatly value their
6 participation. In fact, Chuck Claunch is a
7 Leadership South Carolina board member, and he's
8 served in this capacity for more than five years,
9 and he's also a graduate of our program.

10 Duke Energy is really a stalwart corporate
11 citizen for our State. Duke Energy has contributed
12 significantly to our program for many years through
13 its foundation -- which I understand is shareholder
14 money -- and, most recently, contributed to our
15 annual class project. It was an awareness campaign
16 for seniors called Sustain Our Seniors, SOS, and I
17 believe Lieutenant Governor McConnell referenced it
18 the other night. And it was for senior hunger
19 relief, and it raised more than \$100,000, and we
20 also donated two Honda minivans to senior centers
21 in support of the Meals on Wheels Program, so it
22 was very successful. The Duke Energy Foundation
23 contributed \$25,000 for senior hunger relief. and
24 it will assist hundreds of families and seniors
25 across the State who needed it most.

1 So Leadership South Carolina supports Duke
2 Energy as a valuable corporate sponsor and a
3 resource, not just for their immediate coverage
4 area but for the entire State, and we really
5 appreciate it.

6 So, thank you very much for allowing me to
7 make this statement.

8 **CHAIRMAN HAMILTON:** Thank you, Ms. Munnerlyn.

9 Do we have any questions of Ms. Munnerlyn?

10 [No response]

11 Ms. Munnerlyn, we appreciate you being here,
12 and you're excused.

13 **WITNESS:** Thank you.

14 **CHAIRMAN HAMILTON:** I'm sorry --

15 **MR. BUTLER:** Oops.

16 **CHAIRMAN HAMILTON:** Yeah, I'm sorry, Ms.
17 Munnerlyn. I missed it.

18 **EXAMINATION**

19 **BY COMMISSIONER FLEMING:**

20 **Q** Yes. I just wanted to ask you -- you said you raised
21 \$100,000 toward --

22 **A** That's correct.

23 **Q** -- this particular very worthwhile project. Is there
24 consideration to make it on an annual basis to do this,
25 since it was so successful and the need is so great?

1 **A** I'm glad you brought that up. Yes, but, because of the
2 way we are organized, we like to make sure that -- there
3 are other underserved communities that also need to be
4 addressed, and so the board actually selects a topic
5 each year, so that they can get together and do some
6 type of significant project. So this coming year,
7 they're going to be doing at-risk youth, so I'm hoping
8 that that one will be just as effective.

9 **Q** Okay.

10 **A** But thank you for asking.

11 **COMMISSIONER FLEMING:** Thank you.

12 **CHAIRMAN HAMILTON:** Thank you, ma'am.

13 [WHEREUPON, the witness was excused.]

14 **MR. BUTLER:** I'm like to call Mr. George
15 Acker.

16 **MS. SHAFEEK-HORTON:** If I could --

17 **CHAIRMAN HAMILTON:** Yes, ma'am?

18 **MS. SHAFEEK-HORTON:** George Acker is the vice
19 president of External Relations for Duke Energy,
20 and he's speaking on behalf of the company.

21 **CHAIRMAN HAMILTON:** Thank you, very much.

22 [Witness affirmed]

23 THEREUPON came,

24 **G E O R G E A C K E R ,**

25 who, having been first duly affirmed, testified as follows:

1 **WITNESS:** Can you hear me okay?

2 **CHAIRMAN HAMILTON:** Yes, sir.

3 **WITNESS:** Thank you. Mr. Chairman, members of
4 the Regulatory Staff, Commissioners, ladies and
5 gentlemen, good evening. I hope you're having a
6 good evening today. I'm George Acker, vice
7 president of External Relations for Duke Energy
8 South Carolina. I've been with Duke, starting my
9 thirty-third year; 30 of those years have been in
10 South Carolina.

11 I appreciate the opportunity to briefly talk
12 to you this evening about the rate increase our
13 company is requesting, and to hear from other
14 members of the community.

15 After much negotiation and in the spirit of
16 compromise, as you well know, we've reached an
17 agreement with the Office of Regulatory Staff and
18 all formal Intervenors in the rate case that we
19 proposed. The agreement allows Duke Energy
20 Carolinas to continue providing affordable,
21 reliable, and increasingly clean electricity to our
22 customers for decades to come. The agreement
23 achieves a balance between the concerns of our
24 customers and the need to recover the investments
25 we've made in the system.

1 Over the past six years, the company invested
2 billions to build new state-of-the-art power
3 plants, which will serve our customers for decades
4 to come. Many of these facilities replace older
5 facilities that were built in the earlier part of
6 the twentieth century. These modern facilities
7 burn less fuel, generate more electricity; they
8 also represent an aggressive program to generate
9 electricity in cleaner ways.

10 A significant portion of the settlement
11 agreement in the rate case is in response to the
12 investments we have made. We're also doing our
13 part to manage costs.

14 A brief look at our rates: We've managed our
15 business so our rates are below the national and
16 regional averages. In fact, the daily cost for a
17 typical Upstate homeowner in Duke's service
18 territory is about the price of a gallon of
19 gasoline. If the settlement is approved as filed,
20 our rates would still be below the national average
21 and some of the most competitive in the Southeast.

22 Concerning plant operations, our power plants
23 are among the highest performing in the nation.
24 Our focus is on efficiency. We have well-run
25 plants that you can count on. Duke Energy has one

1 of the strongest track records for reliability of
2 plant operations in the nation.

3 In costs, we've realized about \$89 million in
4 savings for our customers in the Carolinas through
5 joint dispatch of fuel purchases, combining our
6 workforce, and voluntary retirements.

7 When it comes time for a company to decide
8 where they want to locate or expand, one of the
9 first things they look at is the cost of
10 electricity. We are highly competitive. We do an
11 enormous amount of activity and investment, when it
12 comes to economic development. As vice president
13 of External Relations, it's also part of my job to
14 make sure that we support the communities that we
15 serve. You've heard from one of our foundation
16 supporters. And these are all shareholder money
17 out of the Duke Foundation. We do an awful lot for
18 different communities around the State, and plan to
19 do more.

20 Once again, thank you for the opportunity --

21 [3-minute alarm]

22 -- to speak before you tonight.

23 **CHAIRMAN HAMILTON:** Thank you very much, sir.

24 Do we have any questions of the witness?

25 [No response]

1 Thank you, very much. We appreciate you being
2 here.

3 [WHEREUPON, the witness was excused.]

4 **MR. BUTLER:** I'd like to call Otis Rawl,
5 please? Mr. Rawl.

6 [Witness affirmed]

7 THEREUPON came,

8 **O T I S R A W L ,**

9 who, having been first duly affirmed, testified as follows:

10 **WITNESS:** Mr. Chairman, members of the
11 Commission, first of all, thank you for giving me
12 the opportunity to speak on behalf of Duke Energy
13 and their rate-increase proposal. First of all, I
14 want to thank y'all for all y'all do, being able to
15 balance fairly what the citizens of South Carolina
16 need in relationship to what business is. And I
17 know it's not an easy job, but thank you for all
18 you do.

19 What I'd really like to do is talk to you a
20 little bit about what Duke Energy does from an
21 economic development standpoint, and as being head
22 of the South Carolina Chamber of Commerce -- being
23 located at 1301 Gervais Street, in Columbia -- you
24 cannot underestimate what our utilities do to make
25 South Carolina competitive in the global

1 marketplace. And when you start talking about a
2 toolbox that has a lot of different economic
3 incentives, one economic incentive we have that is
4 a lot better than other states is our electricity
5 rates.

6 As George Acker just recently said, we're
7 competitive across the country, and when you start
8 looking at the business and industry looking to
9 locate or expand here, electricity cost being one
10 of the top three costs associated with business, it
11 is a big issue. And to have a provider like Duke
12 in the State with those costs really means a lot in
13 recruiting industry.

14 So for that reason we believe it's imperative
15 that we keep them a healthy corporation, a healthy
16 business, so that they can continue to carry on
17 that function.

18 The other issue that Duke has always been
19 cognizant of and helped the South Carolina Chamber
20 of Commerce: Our mission statement says that what
21 we want to do is increase per capita income for our
22 citizens and increase prosperity for our State.
23 And when they start looking at creating jobs,
24 they're always looking outside their service areas
25 for things that we can do from an economic

1 development standpoint that creates jobs in the
2 area. And I'll give you a classic example. Two
3 years ago, we looked at data centers and call
4 centers as being a function that we were not
5 competing very well in South Carolina. Duke
6 brought that issue to us. We got it passed in the
7 General Assembly, and now a lot of call centers, a
8 lot of these data centers, are going into some of
9 the areas of our State that need jobs more than any
10 other area, particularly the rural areas in South
11 Carolina. So they're constantly thinking about how
12 they develop their communities and how to develop
13 jobs and prosperity for those employees and those
14 citizens in those particular areas.

15 One other thing that I'd like to concentrate
16 on for my last 30 seconds is what we do with other
17 businesses, what they do with local governments,
18 and what they do with other economic developers
19 across the State. If you go to an Upstate Alliance
20 meeting, if you go to the midstate, if you go
21 across to NESAs, you'll see Duke Energy in there
22 helping those entities decide how to recruit
23 businesses, what we need to do, participating in
24 those deliberations on site location, preparation
25 of statements that those entities can use in

1 recruiting industries. You just can't
2 underestimate what Duke does as a corporate citizen
3 for --

4 [3-minute alarm]

5 -- the business community in how we make
6 decisions on where to locate. As we talk to
7 entities that are looking to locate in South
8 Carolina, energy is one of the top two or three
9 issues that we do. And to keep our rates at a low
10 cost but at the same time providing reliable, clean
11 energy, is a big issue for South Carolina, because
12 the number one issue the businesses have is they
13 want to be able to operate 24/7/365 and not expect
14 brownouts or blackouts.

15 So, that being said, thank you for giving me
16 the time to speak to you tonight, and I think that
17 the request is worthy, from an economic development
18 standpoint, for South Carolina to continue for us
19 to have economic expansion and job creation in this
20 State.

21 **CHAIRMAN HAMILTON:** Thank you, sir.

22 Do we have any questions for Mr. Rawl?
23 Commissioner Whitfield?

24 **COMMISSIONER WHITFIELD:** Thank you, Mr.
25 Chairman.

EXAMINATION**BY COMMISSIONER WHITFIELD:**

Q Good to have you with us, this evening, Mr. Rawl. In previous Duke rate cases we've heard, in the Duke service area or Duke footprint, of -- of course, we were all hit hard in this State the last five years with the recession, but we have seen levels -- particularly in rural areas, like you were talking about -- lagging behind. Are you starting to see, in that service area, some good, robust comeback? Or where do things stand, in your opinion, in --

A In my opinion, yes, and I think the real opportunities for economic development is particularly in the Pee Dee, which was a new service area for Duke, as they've consolidated with Progress Energy. What we're seeing there is a lot of interest in the Pee Dee, a lot of interest in expanding. But, also, if you look along that I-95 corridor, particularly in Union County, Cherokee County, there's a lot of opportunities there for jobs and job creation in those particular areas.

We're seeing more jobs being created, particularly on the manufacturing side, and when you look at our rates in comparison to other states on businesses and industry, we're very favorable. And when you look at those particular areas that Duke services, it compares

1 well with the other utilities across the country and
2 even in this State.

3 **COMMISSIONER WHITFIELD:** Thank you, Mr. Rawl.
4 That's all I have, Mr. Chairman.

5 **CHAIRMAN HAMILTON:** Thank you, Mr. Rawl. You
6 can be excused.

7 **WITNESS:** Thanks, very much.

8 [WHEREUPON, the witness was excused.]

9 **MR. BUTLER:** I'd like to call Mr. Walter
10 Riggan, please? Mr. Riggan?

11 **MR. RIGGAN:** I just hope I can get through
12 this. I'm nervous. I just talked -- yesterday, I
13 talked with the lawyer up there, Mr. Whatever-his-
14 name-is, and I was supposed to speak yesterday, but
15 he said it'd be best if I'd come today. Mr.
16 Butler.

17 **MR. BUTLER:** Nice to see you, sir.

18 [Witness affirmed]

19 THEREUPON came,

20 **W A L T E R E . R I G G A N ,**
21 who, having been first duly affirmed, testified as follows:

22 **WITNESS:** My name is Walter E. Riggan. P.O.
23 Box 188, Liberty Hill, South Carolina.

24 **CHAIRMAN HAMILTON:** You can go ahead with your
25 testimony, sir.

1 **WITNESS:** My name is Walter Riggan. I live in
2 Kershaw County on Singleton Creek Road on Lake --
3 Wateree Lake, at Liberty Hill. We have lived there
4 since 1982, 31 years, and have concerns of that
5 rate increasing 16.3 percent for the residents, and
6 our power outages. I understand the 16.3 was on
7 the sheet, and that's why I've come.

8 We have a lot of retired and several widows on
9 our two roads of 150 residents. My wife and I
10 retired in 1983 and '85, respectively; 30 years
11 with no increase in retirement on the Social
12 Security, where city, county, state, federal have
13 had some increases.

14 We have experienced numerous power surges, low
15 voltage, and outages over the years. 1993, voltage
16 as low as 93 volts instead of 120, burning up well
17 pumps, air conditioners, heat pumps. A regulator
18 was added on the road curve at Nosoca Pines, which
19 was damaged by a cement truck, moved to Arrowhead
20 Road, and recently moved back to Singleton Creek
21 Road.

22 After I worked four years to get Cassatt Water
23 in our area, there was a pump added on our road
24 that required three-phase power. Cassatt Water
25 paid for .9 miles of three-phase lines to their

1 wells. That allowed White Heron Road to be backfed
2 to 32 residents, moving them off our line, which
3 helped our lines, and I give them a sketch to do
4 that and asked them to move it off, which helped
5 our lines.

6 In 2004, we had 35 outages after I mailed a
7 letter to Ms. Ruth Shaw with a record of the
8 outages, with the longest being 23 hours and 49
9 minutes. April 6, 2006, I mailed her a letter
10 thanking Duke for improvements of our system,
11 upgrade of our transformer insulators, pole guy
12 wires, adding transformer switches and fuses,
13 inspecting and replacing bad poles, cutting trees
14 under the lines. We did not have an outage
15 since December 26, 2004, until this letter was
16 written: Over 15 months without an outage or a
17 blip from our recloser. Which, our reclosers on
18 our road, it opens up three times, and the third
19 time it shuts down. And they come down and reset
20 it, and don't go about cutting the trees down, and
21 they tell me that they left some electronic
22 improvements there so when the lines -- they take
23 me down and show me lines, through leaves, when
24 they get wet, they short the line, shut the thing
25 out.

1 Now we are getting the same condition. 2011,
2 it's 11 times; 2012, 11 times; 2013, nine times so
3 far, as of now.

4 [3-minute alarm]

5 **CHAIRMAN HAMILTON:** Go ahead and finish, sir.

6 **WITNESS:** Our worse this year was February
7 16th and 17th. We had a light snow of two inches,
8 and our power was off eight hours and seven
9 minutes, due to bamboos on Arrowhead Road. This is
10 the third time the bamboos has shorted and burned
11 the wires in two. The power blipped 16 times from
12 6:50 to 7:52, then finally went out. I had sent
13 Ken Rushing, line supervisor, an e-mail about this
14 bamboo needing cutting, some rotten trees, and a
15 set of rotten wooden cross-arms at 90-degree turns
16 in Nosoca Pines, and they were rotten and hanging
17 down. And I walked the lines for about five miles.
18 They replaced those cross-arms but they didn't
19 bother to cut them bamboos.

20 If only they would trim the trees back -- they
21 said they let them electronic prune themselves --
22 also, cut the main lines from Camden Power Plant,
23 parallel with the distribution lines, which they
24 keep clean. The distribution lines are the big
25 three-phase line that goes up toward Charlotte.

1 There are two different divisions; the tree
2 trimmers will come up here but will not trim
3 anything. On Sunday, seven trucks come by our
4 house, and I run around there and checked them, but
5 they didn't do a thing. Said they got orders to
6 fix a line into a house, and they said it was all
7 right.

8 **CHAIRMAN HAMILTON:** Is that it, sir?

9 **WITNESS:** Yes, sir.

10 **CHAIRMAN HAMILTON:** Do we have any questions
11 of Mr. Riggan?

12 **MS. SHAFEEK-HORTON:** I don't have any
13 questions, but I would direct and ask Mr. Riggan to
14 speak with Ms. Yarbrough, who is here and could
15 offer some help.

16 **WITNESS:** Could I say one more thing?

17 **CHAIRMAN HAMILTON:** Yes, sir.

18 **WITNESS:** Also, I know it's not your thing,
19 but we've been flooded three times this year, and
20 Duke Power's been five, seven years trying to get a
21 relicense from Washington, and they never got them.
22 And they're going to put a bladder in, they say, if
23 they can get 50 years, but they don't want to give
24 them but 30. But that's something needs to be
25 done, and [indicating] you're the Fifth District;

1 you need to see if Duke Power can't raise the rate
2 2 cent a thing, to get something done on Lake
3 Wateree, because we get -- all that water comes
4 from 11 lakes up in the mountains, and right now
5 we've been flooded the last three times. I got up
6 at 6 -- 4 o'clock the other night to get things out
7 from under my house, so it didn't -- I saw it was
8 going to be flooded.

9 And this Commission, I know you might not
10 handle it or do it, but please try to have a input
11 to them to try to put something down there, because
12 it's the only lake that don't have any floodgates.
13 And it was put in 1925, it was raised six feet.
14 And back when we had Hugo, it was the worst thing,
15 because down there they got five turbines and
16 generators; one of them was down for maintenance --
17 they take one down a month -- and the other one
18 shorted out, so they only have three that water
19 goes through. So it got 107 feet that year, at
20 that time, with Hugo.

21 But yet, they don't have anything, and they're
22 talking about cutting the dam down, being on 18
23 months, and put a bladder in, and cut it down six
24 feet, and -- but anyway, Ed Farrell, with Duke
25 Power, back after Hugo, we met in Camden, and he

1 said that that was raised in 1925 six feet to give
2 them a back pressure on that dam, and said that it
3 didn't do a bit of good. They run it at 97 feet,
4 normally -- 97 or 97.5 -- and I've give them a
5 sketch of where they could cut two feet off of that
6 dam and section it, and make like steps going up
7 and down two or three sections, so it wouldn't
8 damage the dam, and the water could be on down the
9 Santee, but they won't listen to nothing like that.

10 And I asked the lady from PSA, in Washington
11 -- whatever it is, Public Service Commission --
12 about how many bladders they had. They have one.
13 I said, "How long has it been in?" "About a year."
14 I said, "How often you going to have to replace
15 it?" "We don't know." So a bladder is, you know,
16 the wrong thing.

17 If there's anything y'all could do to help us,
18 on Lake Wateree, we would appreciate it. Thank
19 you, Commissioners.

20 **CHAIRMAN HAMILTON:** Any other questions?

21 **MR. SCOTT:** No, but I thought it might be
22 helpful if he could leave the written -- since he's
23 got a written statement, it might be helpful to the
24 court reporter if she could have that written
25 statement.

1 **CHAIRMAN HAMILTON:** Certainly would. Would
2 you like to put your statement into the record,
3 sir, as --

4 **WITNESS:** Yes, sir.

5 **CHAIRMAN HAMILTON:** -- an exhibit? He will
6 get it from you, sir. Just keep your seat.

7 **WITNESS:** I'll give you this [indicating];
8 it's what I had, and there's some things -- there's
9 some pictures we have --

10 **CHAIRMAN HAMILTON:** All right.

11 **WITNESS:** -- that --

12 **CHAIRMAN HAMILTON:** Keep your --

13 **WITNESS:** -- I took today [indicating].

14 **MR. RICHARDSON:** [Indicating.]

15 **CHAIRMAN HAMILTON:** -- seat, if you would, Mr.
16 Riggan. Keep your seat --

17 **WITNESS:** Oh, okay.

18 **CHAIRMAN HAMILTON:** -- for a few minutes,
19 please, sir.

20 **WITNESS:** I took a picture today where this
21 vine is growing around it, up one of the poles?

22 **CHAIRMAN HAMILTON:** Yes, sir.

23 **WITNESS:** And just about six months ago, the
24 same thing happened to the next pole, and the
25 transformer set that vine on fire, and it set the

1 pole on fire.

2 CHAIRMAN HAMILTON: All right. Mr. Whitfield
3 would like to ask you a question, sir.

4 WITNESS: Yes, sir.

5 CHAIRMAN HAMILTON: For the attorneys, this
6 will be Exhibit 22, that Mr. Riggan has submitted.

7 MR. ELLERBE: Mr. Chairman, is that the
8 pictures?

9 CHAIRMAN HAMILTON: That's his written
10 statement.

11 MR. ELLERBE: And the statement?

12 CHAIRMAN HAMILTON: Yes, sir. He has some
13 pictures, also.

14 [WHEREUPON, Hearing Exhibit No. 22 was
15 marked and received in evidence.]

16 WITNESS: And I've got plenty more of those.
17 I've got a whole book there at the house. I've
18 talked to them, and --

19 CHAIRMAN HAMILTON: All right, sir. Would you
20 please answer -- talk to Mr. Whitfield?

21 WITNESS: Yes, sir.

22 EXAMINATION

23 BY COMMISSIONER WHITFIELD:

24 Q Mr. Riggan, I've just got one or two questions for you.

25 A Okay.

1 Q I've made some notes, and I know this is all going to be
2 in the record that we'll have a copy of, and I got the
3 notes down about your outages back in mid-2000s, 2004.
4 But when was your most recent outage that you described?
5 Was it in the last year or two? I didn't quite get
6 that.

7 A Recent outage?

8 Q The last outage you mentioned. I got all the other
9 earlier ones, but when was your most recent outage that
10 you experienced, in the last -- I think you mentioned --

11 A A month or so. A month or so.

12 Q Okay.

13 A February is when we had that little snow and they had it
14 out so long.

15 Q Okay.

16 A And it was out all night. The thing about it is, we've
17 got so many people on these sleep things now, and you
18 don't have any power.

19 Q And that was February of this year?

20 A February this year, yes, sir. I've got that -- I've got
21 a page I can give it to you.

22 Q And I would ask you one other question. I think that
23 our attorney explained to you that we cannot discuss the
24 case. My question to you is, have you talked with the
25 South Carolina Office of Regulatory Staff? They can

1 talk with you directly --

2 A I --

3 Q -- about any issues you might have, and I --

4 A I sent him e-mails and stuff, Chad Campbell. I send
5 them all the time. Every time we have an outage, I send
6 him stuff, and I sent him a whole package of stuff about
7 the outages last year, and year before last, and
8 submitted this year and all that, to Chad Campbell.

9 Q I don't see him in the audience tonight --

10 A No.

11 Q -- but there are people from ORS here.

12 A He's uptown. I met with them uptown --

13 Q All right.

14 A -- about five people, and the engineer, electrical
15 engineer, and all of them met in there with me, about
16 two years ago. See, I met one time before with some of
17 you, in Rock Hill, at the college up there. And I was
18 the only one was complaining. Everybody else is always
19 sucked up there to -- "We can do this," and, "If you give
20 us money for all that..." They're spending our money.
21 But, you know, we don't hear no -- you know, I'm sorry,
22 but I'm complaining, because I worked the whole time,
23 just like I said, for four years on that Cassatt Water
24 to get it. And I worked -- all that time, I was on the
25 Highway Commission ten years, in Kershaw County. And I

1 didn't -- rest of them would meet, just like y'all do.
2 I rode down the road and had my wife count every house
3 -- we have a trailer, and everything.

4 **CHAIRMAN HAMILTON:** Mr. Riggan, we --

5 **WITNESS:** -- to see how many --

6 **CHAIRMAN HAMILTON:** -- appreciate --

7 **WITNESS:** -- schools and all that.

8 **CHAIRMAN HAMILTON:** We appreciate it, but I
9 believe we're getting off the subject, so --

10 **WITNESS:** Well, I'm just telling you,
11 that's --

12 **CHAIRMAN HAMILTON:** But we do appreciate you
13 being here.

14 **WITNESS:** That's --

15 **CHAIRMAN HAMILTON:** And I believe you got over
16 your nervousness.

17 [Laughter]

18 **WITNESS:** Well, I'm sorry, I'm a --

19 **CHAIRMAN HAMILTON:** No, sir. You --

20 **WITNESS:** -- Southerner.

21 **CHAIRMAN HAMILTON:** You're very -- I think you
22 showed your emotions. You did a good job, and we
23 appreciate you being here. And you can be excused,
24 Mr. Riggan.

25 **WITNESS:** Okay. Thank you, very much.

1 **CHAIRMAN HAMILTON:** Thank you, sir.

2 [WHEREUPON, the witness was excused.]

3 **MR. BUTLER:** I'd like to call John DeLoach,
4 please.

5 [Witness affirmed]

6 THEREUPON came,

7 **J O H N D e L O A C H ,**

8 who, having been first duly affirmed, testified as follows:

9 **WITNESS:** Thank you for giving me the
10 opportunity to speak on behalf of Duke Energy
11 tonight. My name is John DeLoach. I am with
12 Goodwill Industries of the Upstate and Midlands,
13 headquartered in Greenville, South Carolina, and we
14 have a footprint of 16 counties in the Upstate,
15 down through the Midlands -- Lexington, Richland,
16 Kershaw -- and I have the best job in the State of
17 South Carolina, believe it or not.

18 Last year, we were able to put over 8,500
19 people back to work through our 19 Job Connections
20 in this footprint, and we saw over 45,000 people
21 through our 19 Job Connections. Duke Energy, this
22 past year -- we built a new facility in Greenwood,
23 and Duke Energy, their foundation, came on-board
24 and funded scholarships for people through our CNA
25 program -- a \$50,000 scholarship to help people,

1 through Piedmont Tech, go through the CNA program.
2 This was 24 folks that started the CNA program, 19
3 of which received board certification, and 12 of
4 those are employed today and have remained employed
5 -- four of them receiving pay increases -- since
6 beginning employment.

7 Duke has also partnered with us by working --
8 or, work-readiness classes in the role of energy
9 conservation and family budget management. And
10 we're very happy to be a partner with Duke.
11 They've been a big impact in our work-readiness
12 classes, and we're very -- I'm very proud to be
13 here to support them. And I'll take any questions
14 that you may have.

15 **CHAIRMAN HAMILTON:** All right. Do we have any
16 questions of the witness?

17 [No response]

18 Hearing none, we appreciate you being here,
19 sir.

20 **WITNESS:** Okay. Thank you so much.

21 [WHEREUPON, the witness was excused.]

22 **MR. BUTLER:** I'd like to call Eddie Shannon,
23 please. Eddie Shannon?

24 [Witness affirmed]

25 <

1 THEREUPON came,

2 E D D I E S H A N N O N ,

3 who, having been first duly affirmed, testified as follows:

4 WITNESS: My name is Eddie Shannon, and I'm
5 very happy to be here tonight to testify on behalf
6 of Duke Energy. I am the executive vice president
7 of the South Carolina Independent Colleges &
8 Universities, more commonly known as SCICU. SCICU
9 is an association of 20 independent colleges here
10 in South Carolina. It was created in 1953 as a
11 501(c)(3) organization, and we promote independent
12 higher education in South Carolina, through
13 fundraising, research, and scholarships.

14 It's my pleasure to come before you tonight to
15 speak on behalf of Duke Energy and their community
16 involvement and support. SCICU just celebrated its
17 sixtieth anniversary, and I'm pleased to report to
18 you that Duke Energy has been a major contributor
19 to SCICU for 58 of those 60 years. Since the
20 beginning, in 1953, Duke Energy has contributed
21 more than \$2.3 million to our member colleges and
22 their students, through our organization.

23 Most of these dollars came to SCICU as
24 unrestricted gifts to our member colleges; however,
25 in 2005, Duke Energy began participating in our

1 Named Scholars Program and, since that time, almost
2 \$540,000 has been awarded to 266 students attending
3 the 11 independent colleges that are in the Duke
4 service district.

5 Duke has also generously supported SCICU
6 through sponsorships of our Excellence in Teaching
7 banquet, our *College Guidebook* publication, our
8 Undergraduate Student/Faculty Research Program, and
9 our SCICU trustee retreat.

10 Not only has Duke Energy supported SCICU
11 financially, they've also been very involved on our
12 board, and they've given of their time and service.
13 Mike Wilson, who is a district manager for
14 Government & Community Relations, is currently
15 serving a second three-year term on our board.
16 Prior to that, George Acker, the vice president of
17 External Relations, served seven years on our board
18 and two years as our chairman for 2004-2006. These
19 are just two of the examples of the many Duke
20 executives that have served on our board since
21 1953.

22 In closing, let me say that the independent
23 colleges are very appreciative of Duke Energy for
24 the generous support in South Carolina over the
25 years. As a result of their support, thousands of

1 students have been able to attend the college of
2 their choice, obtain a college degree, and become
3 productive, taxpaying citizens in South Carolina.
4 We're very proud of our association with Duke
5 Energy, and pleased to speak on their behalf
6 tonight. Thank you.

7 **CHAIRMAN HAMILTON:** Thank you very much, Mr.
8 Shannon.

9 Do we any questions of Mr. Shannon?

10 [No response]

11 If not, you can be excused, sir, and thank you
12 for being with us.

13 [WHEREUPON, the witness was excused.]

14 **MR. BUTLER:** Well, Mr. Chairman, Mr. Shannon
15 was the last person that I had, that had signed up
16 to speak tonight. Thank you.

17 **CHAIRMAN HAMILTON:** Okay. Ladies and
18 gentlemen, we appreciate your taking your time to
19 be here, and -- Ms. Hudson.

20 **MS. HUDSON:** Mr. Chairman, as a matter of
21 housekeeping, may we get that sign-in sheet marked
22 for identification and entered into the record as a
23 hearing exhibit?

24 **CHAIRMAN HAMILTON:** We'll be happy to.

25 **MS. C. EDWARDS:** Thank you, sir.

1 **CHAIRMAN HAMILTON:** Yes, ma'am.

2 [WHEREUPON, Hearing Exhibit No. 23 was
3 marked and received in evidence.]

4 Any other requests from the attorneys?

5 [No response]

6 If not, we'll thank you for being here, and
7 we'll call this hearing adjourned. Thank you, very
8 much.

9 [WHEREUPON, at 6:37 p.m., the hearing in
10 the above-entitled matter was adjourned,
11 to reconvene on Thursday, August 15,
12 2013, at 6:00 p.m.]

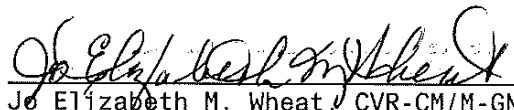
13 _____

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a hearing held in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA;

That the witnesses appearing during said hearing were sworn or affirmed by me to state the truth, the whole truth, and nothing but the truth;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 26th day of August, 2013.


Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.